

CCH Finance Committee Meeting March 2019

Ekerete Akpan , Chief Financial Officer

March 22, 2019



COOK COUNTY
HEALTH

Agenda

1. System-wide Financials & Stats
 - a. Financials
 - b. Observations
 - c. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats



Systems-wide Financials, Observations and Revenue Cycle Metrics



COOK COUNTY
HEALTH

Income Statement for the Two Months ending Jan.- 2019(in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	98,576	124,550	(25,974)	-21%
CountyCare Capitation Revenue	367,882	303,625	64,257	21%
Access Payments	5,950	5,950	-	0%
Other Revenue	666	2,167	(1,501)	-69%
Total Operating Rev	473,073	436,292	36,782	8%
<u>Operating Expenses</u>				
Salaries & Benefits	109,113	118,806	9,693.42	8%
Overtime	8,376	5,967	(2,409)	-40%
Contracted Labor	7,090	5,687	(1,404)	-25%
Pension*	54,560	54,560	-	
Supplies & Materials	3,927	10,359	6,431	62%
Pharmaceutical Supplies	17,136	13,471	(3,664)	-27%
Purch. Svs., Rental, Oth.	44,906	51,471	6,565	13%
External Claims Expense	322,133	236,095	(86,038)	-36%
Insurance Expense	4,447	4,906	459	9%
Depreciation	5,784	5,784	-	0%
Utilities	2,617	1,648	(970)	-59%
Total Operating Exp	580,090	508,753	(71,337)	-14%
Operating Margin	(107,017)	(72,462)	(34,555)	-48%
Operating Margin %	-23%	-17%	-6%	-36%
Non Operating Revenue	43,205	43,205	-	0%
Net Income/(Loss)	(63,812)	(29,257)	(34,555)	-118%



Observations

Some volumes are challenging versus FY18 targets

- Primary Care visits are up by 1% versus to FY18, and down 4% versus FY19 target
- Specialty Care visits are up by 3% versus FY18, and down 2% versus FY19 target
- Surgical Cases are down by 3% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 11% versus FY18, and flat versus FY19 target
- LOS is down 11% versus FY18, and flat versus FY19 target
- Emergency Department visits are down 4% versus FY18, and flat versus FY19 target
- Deliveries are up by 3% versus FY18, and down 7% versus FY19 target
- Case Mix Index is flat versus FY18, and flat versus FY19 target
- System-wide uninsured numbers, captured by visit held 45% (Provident 36%, ACHN 45%, Stroger 48%)



Financial Metrics

Metric	As of end Jan- 18/YTD	As of end Jan- 19/YTD	Target
Days Cash On Hand**	21	30	60
Operating Margin***	-5.9%	-11.1%	-5.4%
Overtime as Percentage of Gross Salary	9.4%	8.1%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand - CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end October for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	Dec-18	Jan-19	Benchmark /Target
Average Days in Accounts Receivable <i>(lower is better)</i>	99.5	99	100	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	10.2	9.9	10.5	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	23%	22%	23%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014

Provider of Care Services Financials, Operational Statistics



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Income Statement for the Two Months ending Jan.-2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	98,576	124,550	(25,974)	-21%
Access Payments	5,950	5,950	-	0%
Other Revenue	570	1,863	(1,293)	n/a
Total Operating Rev	105,096	132,363	(27,268)	-21%
<u>Operating Expenses</u>				
Salaries & Benefits	92,671	93,805	1,134	1%
Overtime	7,448	5,086	(2,362)	-46%
Contracted Labor	6,701	3,814	(2,887)	-76%
Pension*	45,725	45,725	-	0%
Supplies & Materials	3,819	9,645	5,825	60%
Pharmaceutical Supplies	15,551	11,804	(3,747)	-32%
Purch. Svs., Rental, Oth.	32,533	32,143	(391)	-1%
Insurance Expense	4,329	-	(4,329)	n/a
Depreciation	3,585	3,585	-	0%
Utilities	2,617	1,622	(996)	-61%
Total Operating Exp	214,978	207,227	(7,752)	-4%
Operating Margin	(109,883)	(74,864)	(35,019)	-47%
Operating Margin %	-105%	-57%	-48%	-85%
Non Operating Revenue	28,892	28,892	-	0%
Net Income/(Loss)	(80,990)	(45,972)	(35,018)	-76%

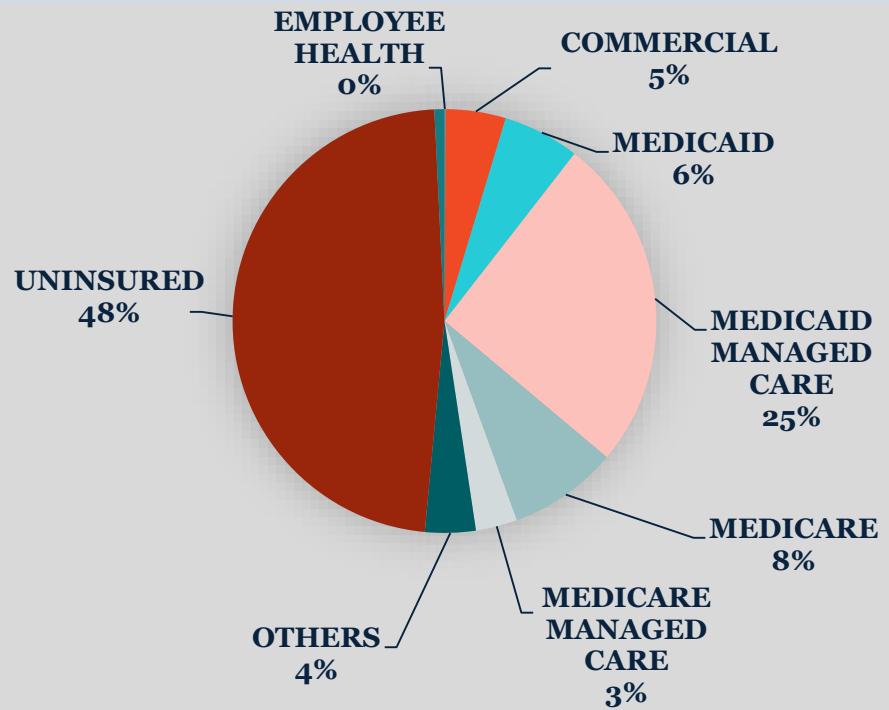


Revenue Statement for the Two Months ending Jan-2019 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	294,291
<u>Adjustments</u>	
Contractual Adjustments	(75,654)
Charity Adjustments	(80,174)
Total Adjustment	(155,828)
Gross NPSR	138,463
Bad Debt Allowance	(88,060)
Adjusted NPSR	50,403
DSH	26,117
BIPA	22,056
Adjusted NPSR plus DSH and BIPA	98,576
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	33%



Stronger Operations Overview for the Two Months ending January 2019



Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	2,707	2,932	3,031
- Long Stay Admissions	573	594	606
- One Day Admissions	172	166	188
Inpatient Days	14,692	14,392	15,383
Observation Discharges	1,705	1,714	1,624
Observation Days (Observation Discharge)	3,456	3,132	3,320
Avg LOS (Inpatient Discharge)	5.9	---	6.0
Average Daily Census (Inpatient & Observation)	292.7	294.5	301.7
Surgical Cases	1,836	2,162	2,013
Procedures (CPTs)	---	---	---
Radiology Tests	7,140	---	7,333
Deliveries	168	182	161

Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	19,874	20,290	20,675
Adult Emergency Visits	16,451	16,804	16,791
Peds Emergency Visits	1,151	1,154	1,376
Trauma Visits	1,231	1,310	1,341
LWBS	1,041	812	1,167
Radiology Tests	15,571	---	17,457

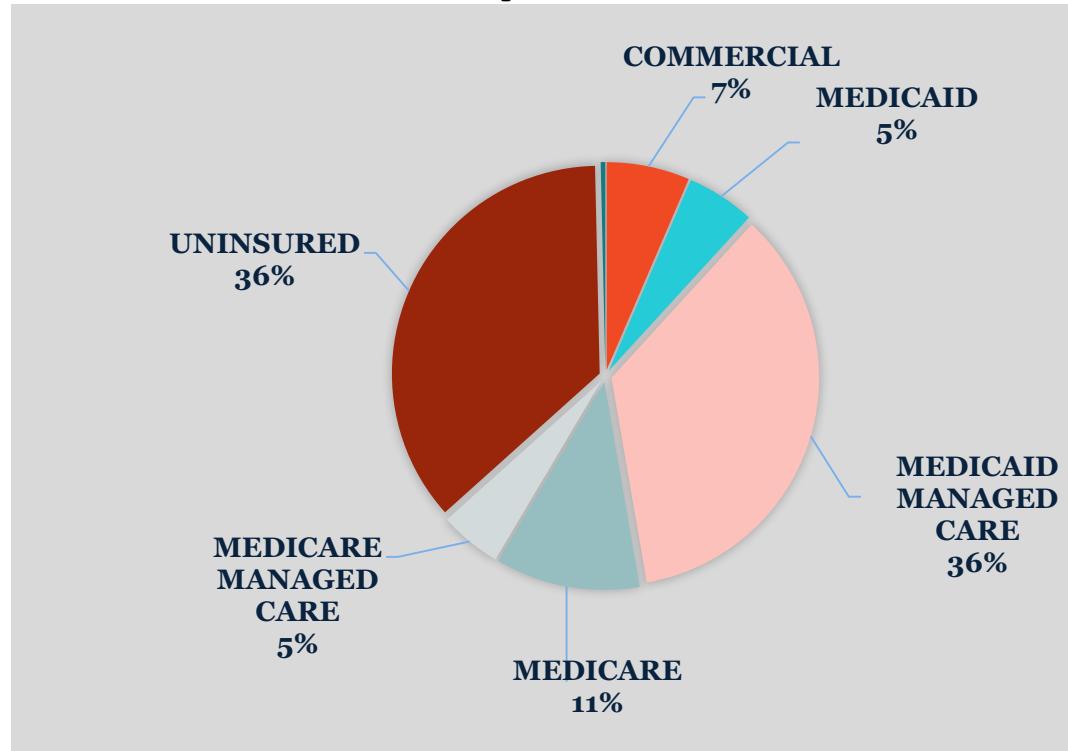
Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	86,200	93,672	87,375
Total Provider Visits*	51,901	57,238	53,073
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	782	946	940
Core Specialty	1,624	1,744	1,504
Hospital - Based	2,879	3,438	3,375
Specialty Care / Fantus / Professional Bldg	36,019	40,128	36,999
Total	41,304	46,256	42,818
Primary Care Provider Visits			
Core	2,107	2,304	2,140
Core Peds	51	98	94
GMC	7,785	7,830	7,349
Peds	654	750	672
Total	10,597	10,982	10,255

Comments:

- Review of surgical volumes to ensure full capture of volumes ongoing
- Leadership continues to work on throughput, observation days and discharges via Utilization Management and Operating Room Committees
- Trauma cases impacts some scheduled visits/procedures



Provident Operations Overview for the Two Month ending January 2019



Comments:

- Leadership reviewing Observation days & discharges, left without being seen
- Sustained growth in surgical cases and specialty services
- Expect more volume growth as we procure equipment and fully staff new clinical capacity

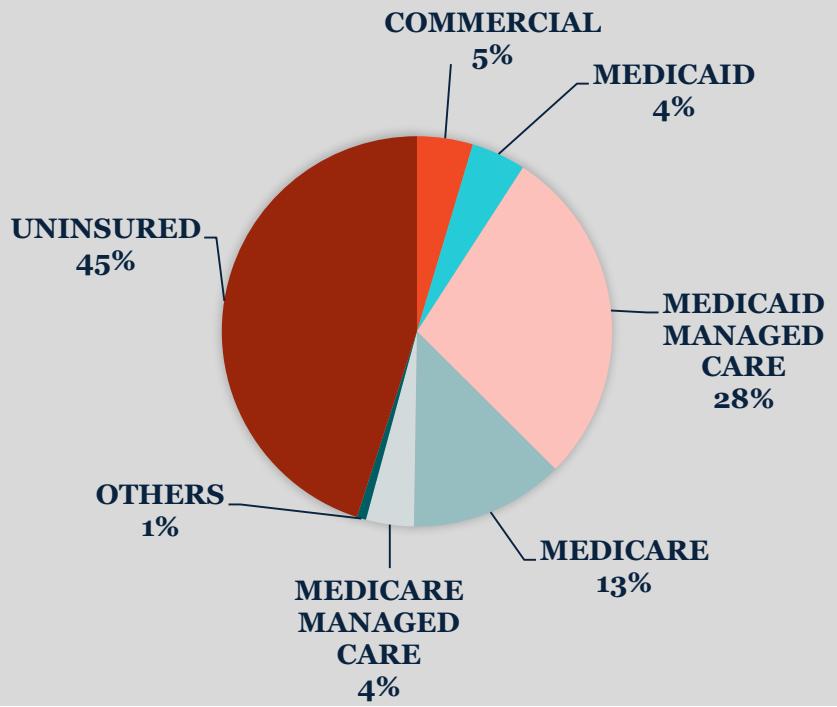


Inpatient/Observation-FYTD			
Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	100	98	123
- Long Stay Admissions	17	20	22
- One Day Admissions	9	6	6
Inpatient Days	505	500	521
Observation Discharges	117	104	92
Observation Days (Observation Discharge)	212	206	211
Avg LOS (Inpatient Discharge)	4.7	---	4.9
Average Daily Census (Inpatient & Observation)	11.6	12	11.8
Surgical Cases	477	606	379
Procedures (CPTs)	---	---	---
Radiology Tests	52	---	54

Emergency- FYTD			
Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	4,936	5,472	5,106
Adult Emergency Visits	4,349	4,813	4,474
Peds Emergency Visits	229	295	335
LWBS	358	204	297
Radiology Tests	2,569	---	2,840

Outpatient Clinic- FYTD			
Measure	FY2019	Monthly Target	FY2018
Total Registrations	13,822	14,896	12,585
Specialty/Diagnostic/Procedure Provider Visits	5,511	5,972	4,950
Sengstacke Primary	2,820	2,790	2,524
Sengstacke Primary Peds	164	126	5
Radiology Tests	1,551	---	1,484

ACHN Operations Overview for the Two Months ending January 2019



Comments :

- Some positive trends vs FY 2018 actuals in Primary care, Specialty care provider visits
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and Oral Health assuming all registrations are provider visits

CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	1,721	1,962	1,727
Austin (AH)	1,868	2,264	2,160
Child Advocacy	88	94	113
Cicero (CH)	1,746	1,914	1,878
Cottage Grove (CG)	1,514	1,668	1,502
Englewood (EH)	2,222	2,106	1,943
Logan Square (LS)	2,261	2,406	2,408
Morton East (ME)	126	156	154
Near South (NS)	2,193	2,526	2,397
OFHC (OF)	2,291	2,602	2,292
Prieto (PH)	2,790	2,926	2,955
Robbins (RH)	1,661	1,738	1,554
Woodlawn (WH)	1,675	1,776	1,531
Total Primary Care Provider Visits	22,156	24,138	22,614

CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	56	78	75
Cicero (CH)	135	172	175
Logan Square (LS)	137	162	138
OFHC (OF)	4,527	5,088	4,575
Oral Health (OH)	811	882	923
Siegle Health Center	68	---	-
Total Specialty Care Provider Visits	5,734	6,382	5,886

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	39,085	43,846	40,035
Total Provider Visits*	26,537	29,670	27,598





CountyCare Health Plan

Financials, Observations and Operational Statistics



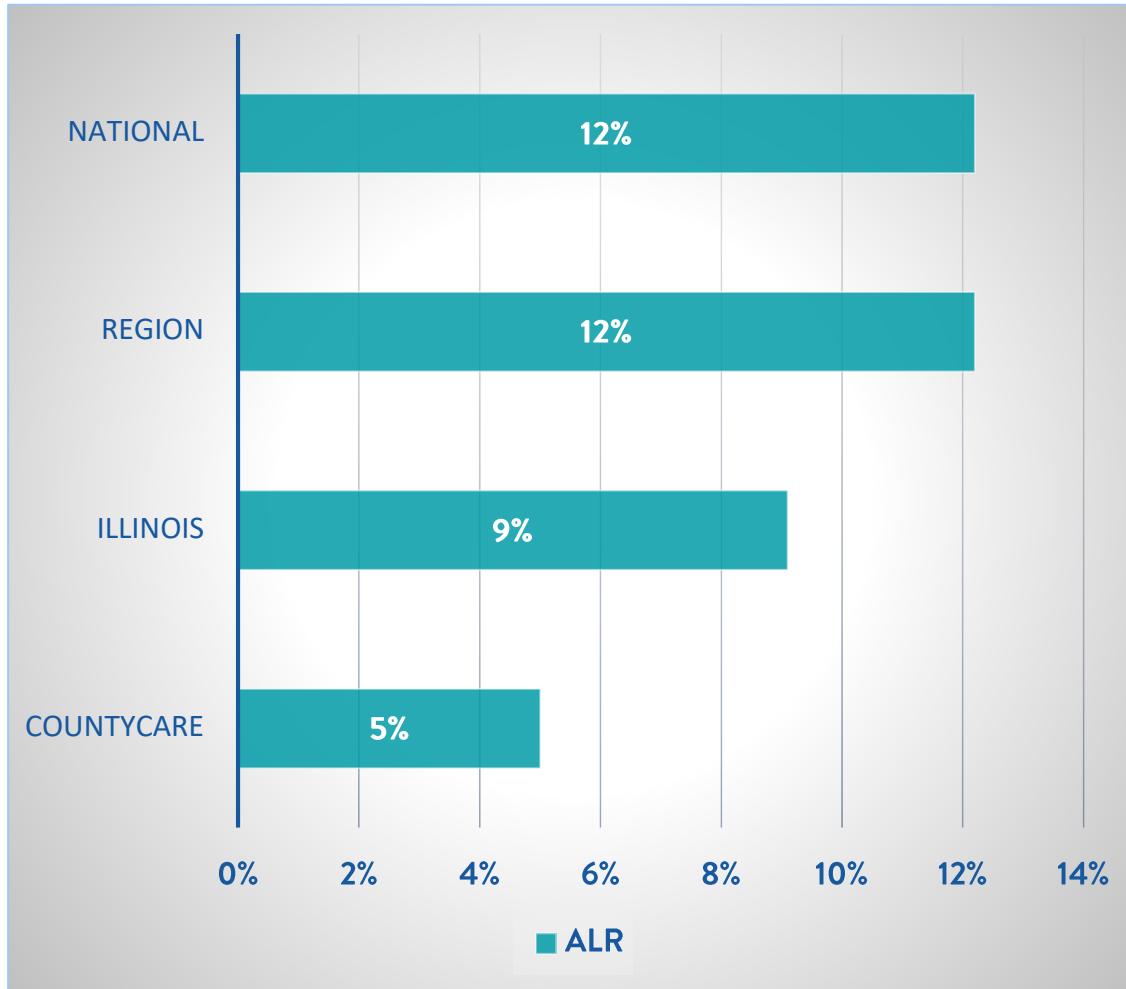
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Income Statement for the Two Months ending Jan.-2019 (in thousands)

	Year to Date		
	Actual	Budget	Variance
Member Months	656	649	8
Total Revenue	372,094	284,844	87,250
Expense			
Total Admin Expenses	12,679	12,687	8
CCH Clinical Expenses			
Claims	27,064	36,868	9,804
Pharmacy Claims	2,825	5,587	2,762
Care Management	1,753	-	(1,753)
Total CCHHS Clinical Expenses	31,642	42,455	10,813
External Clinical Expenses			
Claims	179,469	147,968	(31,501)
Hospital Supplemental Access Pmt	70,850	-	(70,850)
Pharmacy Claims	52,147	50,028	(2,118)
Care Management	9,975	12,808	2,832
Dental Claims	5,409	6,618	1,208
Transportation Claims	2,502	3,003	501
Optical Claims	1,192	762	(430)
Member Incentives	589	570	(20)
Total External Clinical Expenses	322,133	221,756	(100,378)
Total Clinical Expenses	353,775	264,210	(89,564)
Total Expenses	366,454	276,897	(89,557)
Net Income Before Rate Adjustment	5,640	7,947	(2,307)
Medical Loss Ratio (MLR)	95%	93%	-2%
Net Income Before Prior Period Adj/IGT	5,640	7,947	(2,307)
IGT	4,212	6,009	(1,797)
Amortization	1,546	1,546	-
Net Income After IGT And Amortization	(118)	392	(510)
Total CCHHS Impact	37,282	50,402	(13,120)



CountyCare Operations Stats for the Two Months ending January 2019



Comments:

- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 95% YTD.
- With 326,116 members in January 2019 , CountyCare is the still largest Medicaid Managed Care plan in Cook County
- Leadership focused on several initiatives and media campaigns to protect market share and retain membership during open enrollment period

Milliman Research Report-Medicaid Risk-Based Managed Care: Analysis of Financial results for 2016 . Region consists of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
MLR – Medical Loss Ratio , %age of premium spent on health care quality . ALR Administrative loss Ratio - %age spent on overhead expenses, such as marketing, profits, salaries, administrative costs etc.





Correctional Health Services Financials, Observations and Operational Statistics



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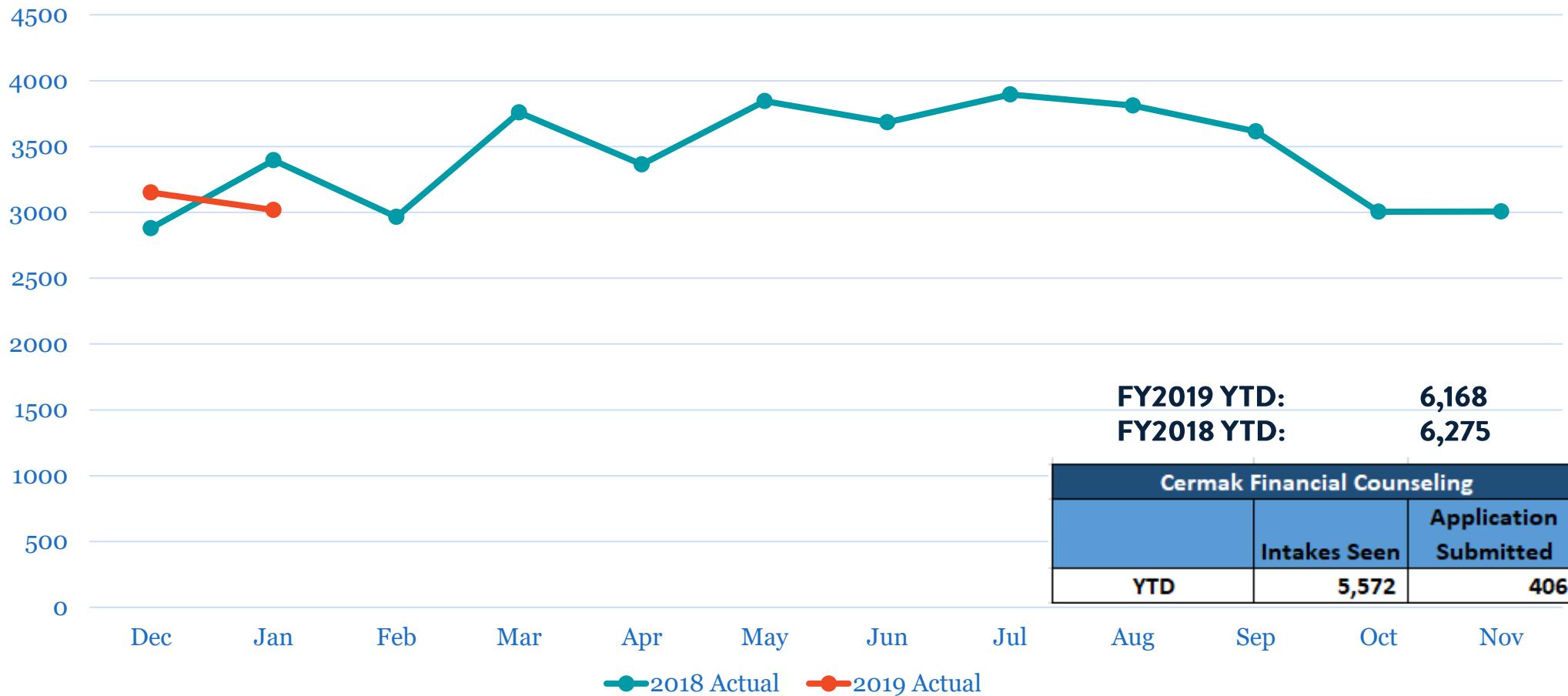
Income Statement for the Two Months ending January-2019 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	0	-	0	0%
<u>Operating Expenses</u>				
Salaries & Benefits	8,430	11,355	2,925	26%
Overtime	841	806	(36)	-4%
Contracted Labor	11	62	51	82%
Pension*	3,999	3,999	-	0%
Supplies & Materials	96	122	27	22%
Pharmaceutical Supplies	1,585	1,667	82	5%
Purch. Svs., Rental, Oth.	74	1,833	1,759	96%
Insurance Expense	62	-	(62)	n/a
Depreciation	17	17	-	0%
Total Operating Exp	15,116	19,861	4,746	24%
Operating Margin	(15,115)	(19,861)	4,746	24%
Operating Margin %	na	na	na	na
Non Operating Revenue	11,783	11,783	-	0
Net Income/(Loss)	(3,332)	(8,078)	4,746	59%



Correctional Health Operation Overview for the Two Months ending January 2019

Total Intakes



Comments:

- Top 3 referrals remain Oral Surgery, Ear Nose & Throat and Hand Clinic
- 90% of intakes are screened by financial counselling to ensure continuity of coverage
- JTDC passed National Commission on Correctional Health Care (NCCHC) recertification to maintain certification



Cook County Dept. of Public Health Financials and Operational Statistics



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Income Statement for the Two Months ending Jan-2019(in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	96	303	(208)	-69%

Operating Expenses

Salaries & Benefits	1,214	1,723	509	30%
Overtime	1	1	(0)	-5%
Contracted Labor	0	23	22	99%
Pension*	556	556	-	0%
Supplies & Materials	3	19	16	83%
Purch. Svs., Rental, Oth.	55	386	331	86%
Insurance Expense	11	-	(11)	n/a
Depreciation	0	0	-	0%
Utilities	-	17	17	100%
Total Operating Exp	1,841	2,726	885	32%
Operating Margin	(1,746)	(2,422)	677	28%
Operating Margin %	na	na	na	na
Non Operating Revenue	291	291	-	0%
Net Income/(Loss)	(1,455)	(2,132)	677	32%



CCDPH Operation Overview for the Two Months ending January 2019

	Program Title	Metric	YTD Thru Jan 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	96%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
Communicable Diseases	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
Lead Poisoning Prevention	Lead Poisoning Prevention	Program Title	YTD Thru Jan 19	FY19 Target
		Percentage of cases with elevated blood levels visited within the timeline provided in protocols	82%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	89%	95%
TB Program	Program Title	Metric	YTD Thru Jan 19	FY19 Target
	TB Program	Number of completed Direct Observation Treatments (DOT)	92%	91%



CCH Administration Financial Statements

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Income Statement for the Two Months ending Jan-2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	6,361	6,351	(10)	0%
Overtime	45	28	(16)	-58%
Contracted Labor	378	1,789	1,410	79%
Pension*	3,095	3,095	-	0%
Supplies & Materials	9	104	95	91%
Purch. Svs., Rental, Oth.	42	529	487	92%
Insurance Expense	45	-	(45)	n/a
Depreciation	636	636	-	0%
Total Operating Exp	10,611	12,532	1,921	15%
Operating Margin	(10,611)	(12,532)	1,921	15%
Non Operating Revenue	1,619	1,619	-	0%
Net Income/(Loss)	(8,992)	(10,913)	1,921	18%



Appendix

System-wide Volumes / Stats



COOK COUNTY
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System Payor Mix By Visit

All Medicare = 16%

2%

4%

12%

28%

Uninsured
45%

5%
5%

All Medicaid = 33%

- Uninsured
- Commercially Insured
- Medicaid
- Medicaid Managed Care
- Medicare
- Medicare Managed Care
- Other



Primary Care Provider Visits

30,000

10,000

Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

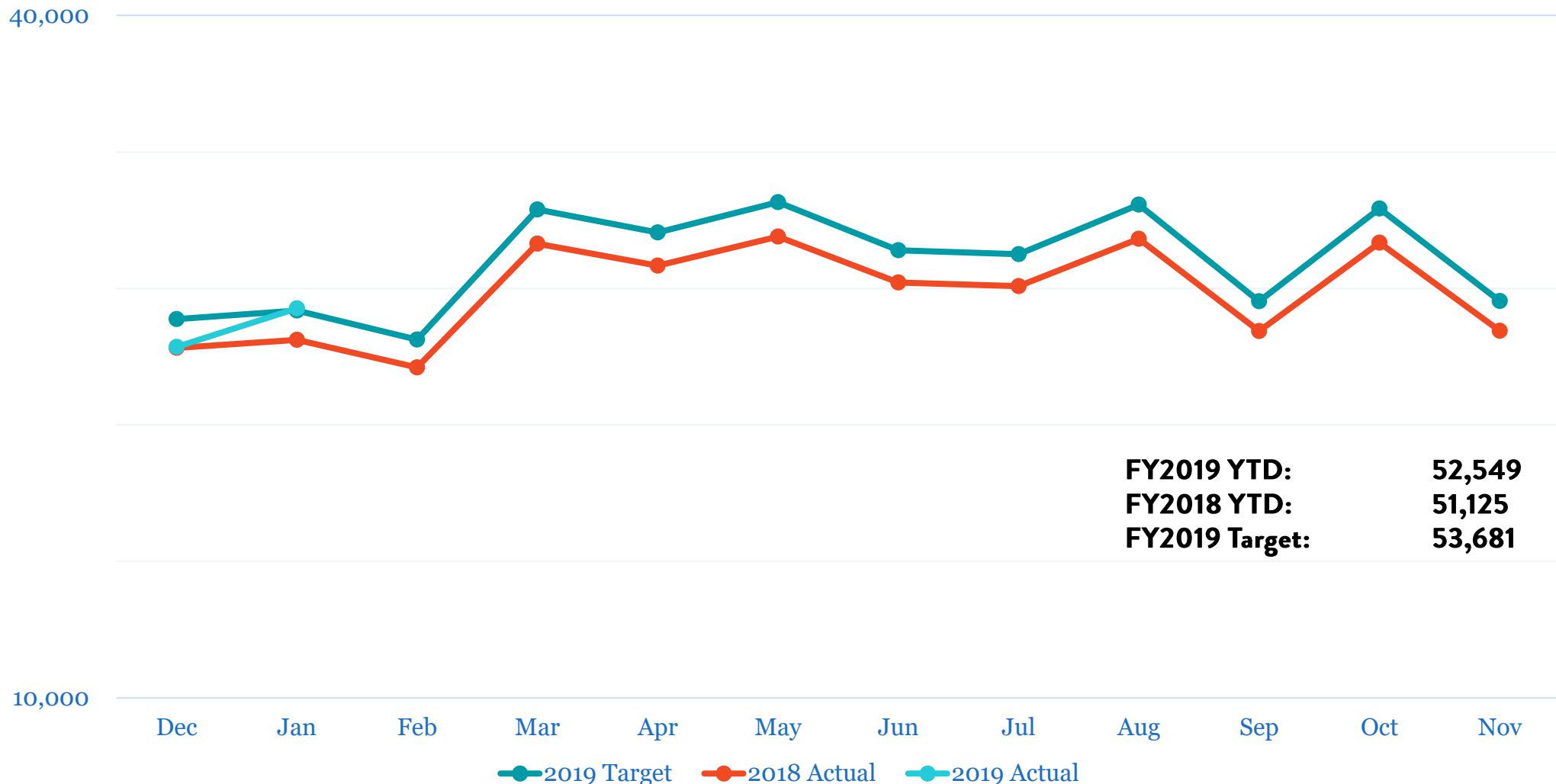
● 2019 Target ● 2018 Actual ● 2019 Actual

FY2019 YTD: 35,797
FY2018 YTD: 35,392
FY2019 Target: 37,162

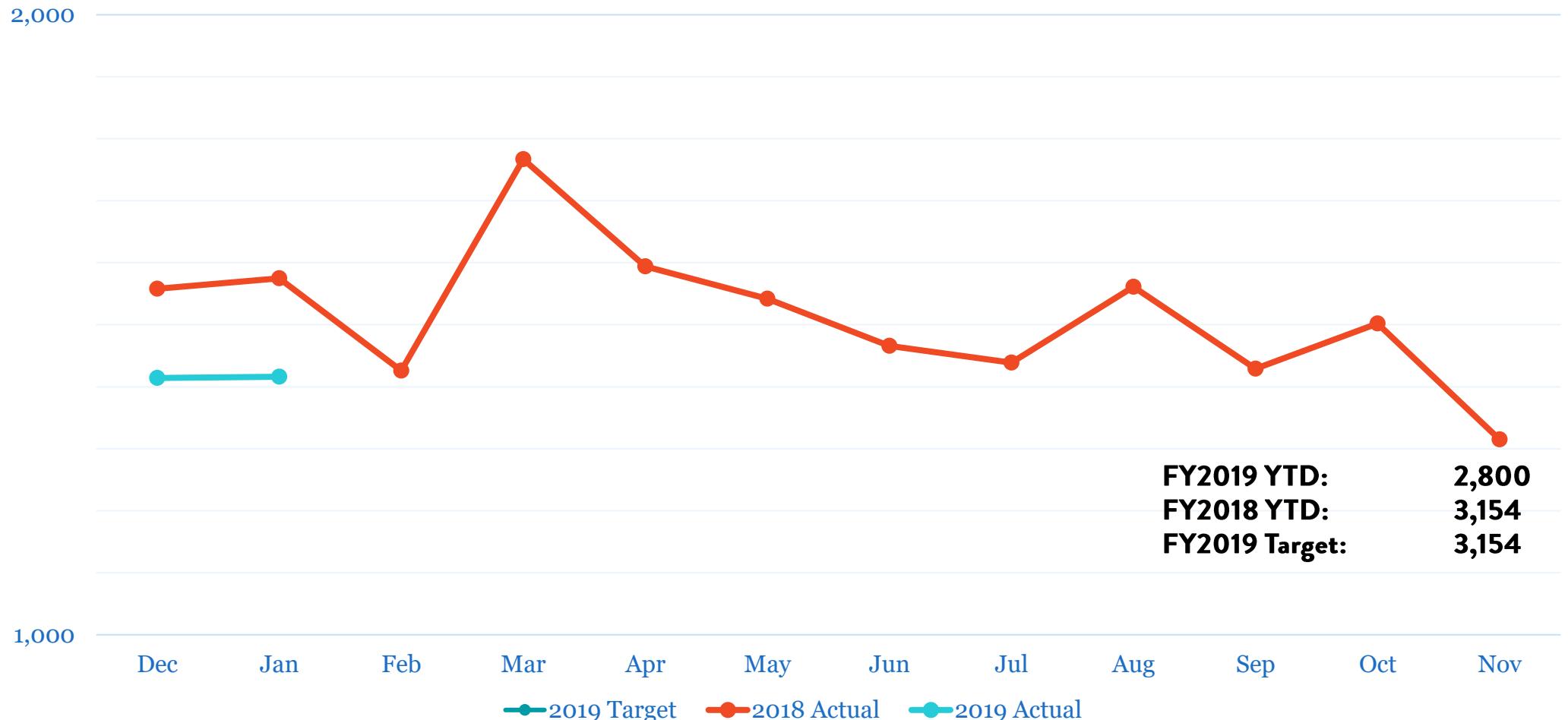


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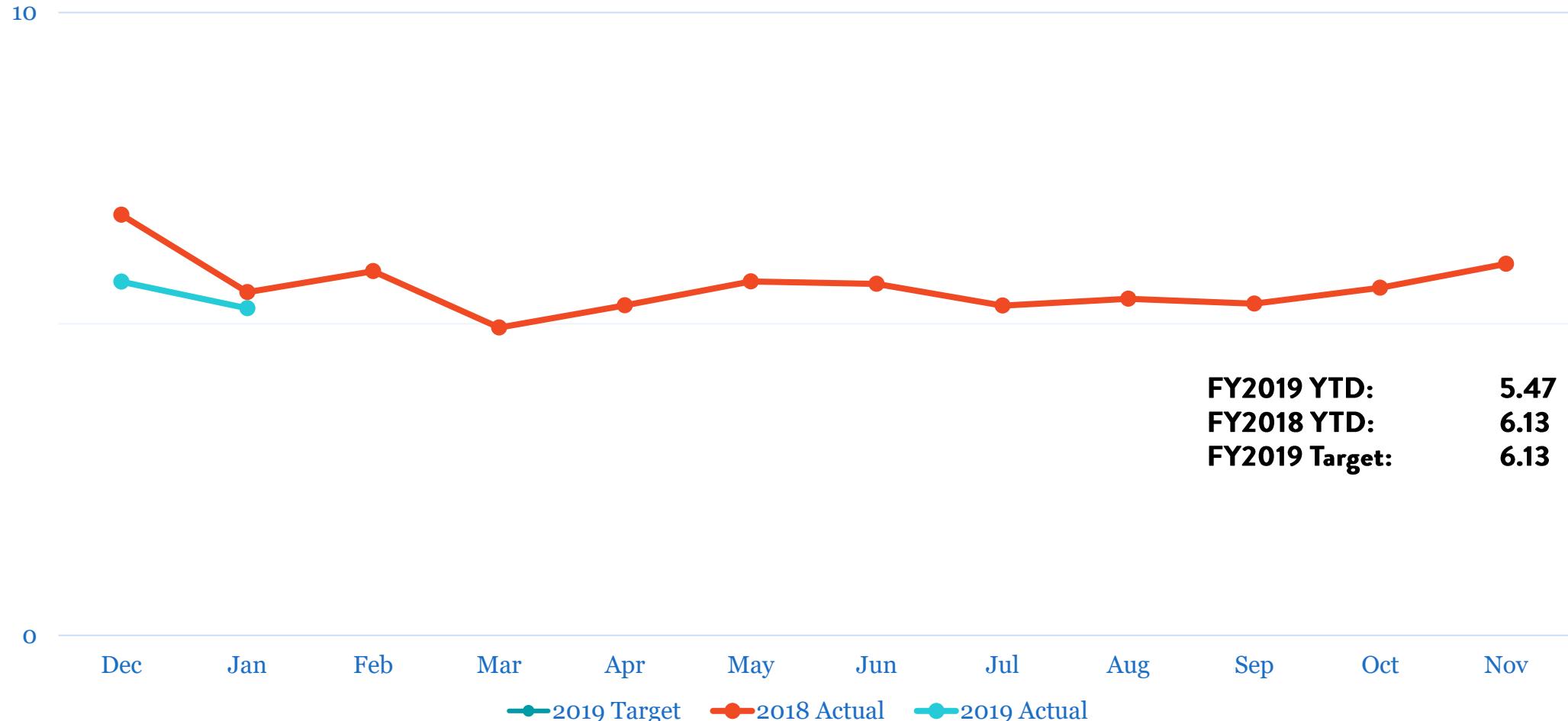
Specialty Care Provider Visits



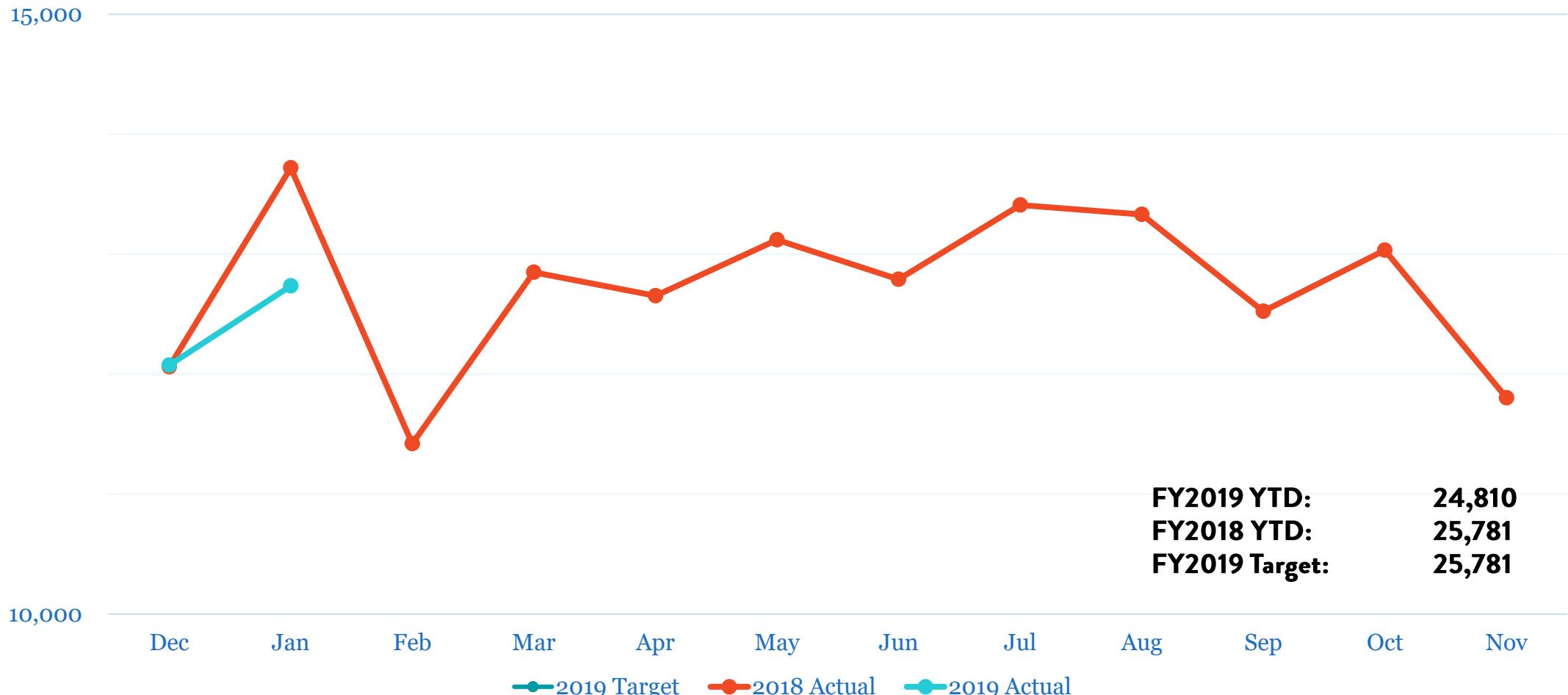
Total Inpatient Discharges



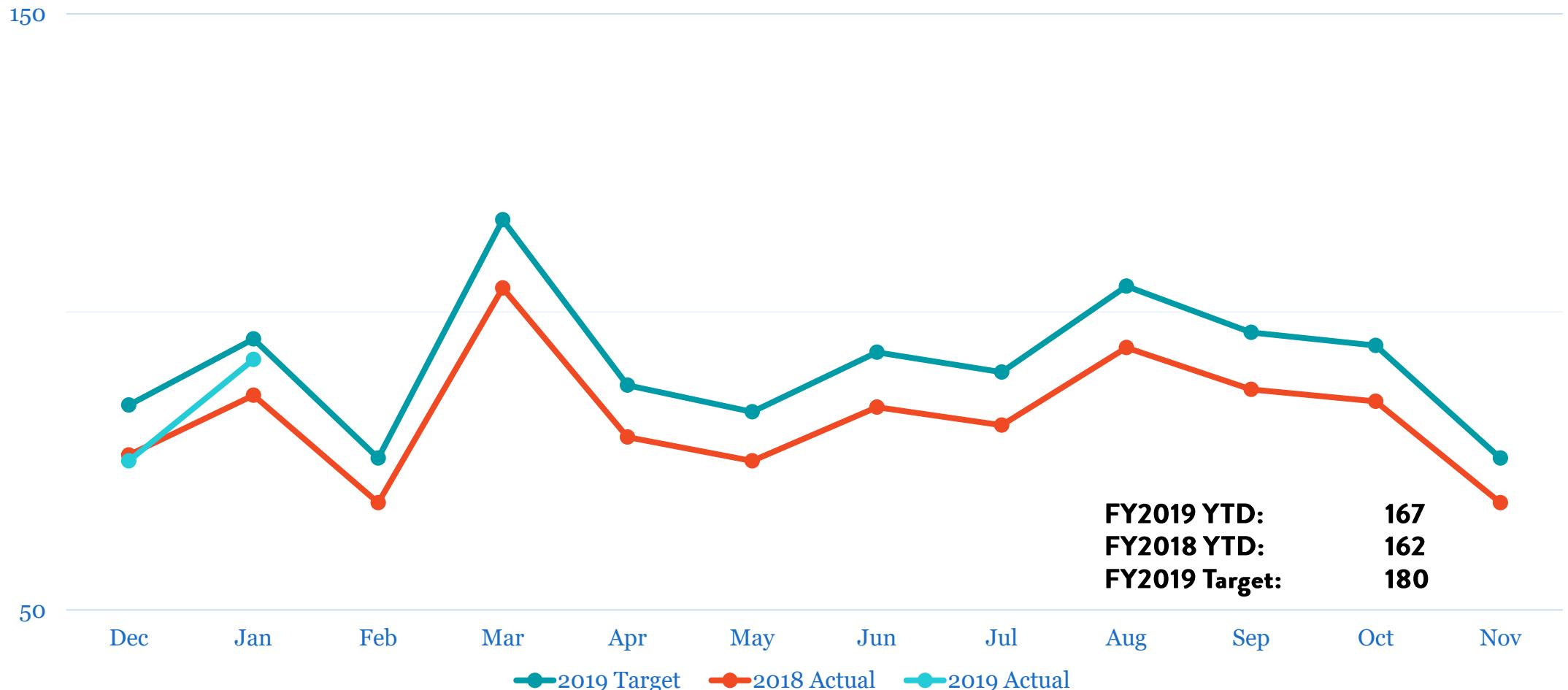
Average Length of Stay



Total Emergency Room Visits



Total Deliveries



Total Surgical Cases

1,500

1,000

Dec

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Nov

2019 Target

2018 Actual

2019 Actual

FY2019 YTD: 2,316
FY2018 YTD: 2,392
FY2019 Target: 2,536



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Case Mix Index



Questions?



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